FBIS DAILY REPORT

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FOREIGN MINISTRY SPOKESMAN DENIES RELATIONS WITH CUBA

PA200415 Madrid EFE in Spanish 2336 GMT 19 May 79 PA

[Excerpt] Brasilia, 19 May (EFE)--Bernardo Pericas, spokesman for the Brazilian Foreign Ministry, said today that Cuban President Fidel Castro was not well informed and was hasty in his statements made in Mexico regarding the Brazilian Government. The false information, he added, was that the Brazilian Government plans to resume diplomatic relations with Cuba.

Pericas also said that "Fidel Castro's speculation that Brazil does not support the movements [words indistinct] Namibia" are also false and recalled that Brazil voted in favor of the independence of the two territories at the United Nations. Pericas refused to comment on Castro's statement that Brazil is "the policeman of imperialism in South America."

PHYSICIST WARNS AGAINST OBJECTIVES OF FRG NUCLEAR DEAL

PY181523 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 18 May 79 PY

[Excerpt] Brazilian hydroelectric reserves are sufficient to meet the country's demands during the next 30 years, and investing millions of dollars in nuclear energy means bridling domestic development and to incredibly increase the already intolerable foreign debt. This statement was made by Mario Schemberg, professor of the (?Brasilia) university, to the CPI [Congressional Investigating Committee] on the nuclear agreement.

Reporter (Robson Cardozo) reveals more details on Professor Schemberg's remarks directly from Brasilia. [Begin Cardozo relayed report] The Brazilian-FRG nuclear agreement would be justified only if it involves secret military aspects. With this argument, physicist Mario Schemberg raised doubts yesterday in Brazilia regarding the real intentions of the FRG to transfer nuclear technology to Brazil.

The same day in which the president of the republic visited the nuclear plant in Angra dos Reis, Mario Schemberg recalled here reports of FRG experiments with nuclear missiles at a secret field in Zaire.

Relieved under AI-5 [Institutional Act No 5] of his functions as professor of Sao Paulo University, Schemberg also recalled that there are world doubts about the real politico-military intentions of Western Germany regarding nuclear agreements.

The Brazilian scientist also stressed the fact that West Germans seem to be willing to overlook the restrictions of the Nuclear Nonproliferation Treaty, building and carrying out experiments beyond their frontiers with forbidden nuclear weapons. [end relayed report]

SCHEDULE RELEASED FOR PRC VICE PREMIER VISIT

PY192006 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 12 May 79 PY

[Text] PRC Vice Premier Kang Shien, who will arrive in our country on Monday, will meet President Figueiredo on Tuesday at 1500. Later he will meet Planning Minister Simonsen. Shien will arrive in Rio de Janeiro at 0500 and he is scheduled to disembark from Brasilia's air base at 1000. Shiao Szu Shin, the spokesman of the PRC Embassy in Brasilia, noted that Shieng's visit will mark a new stage in Brazilian-Chinese relations. He said: Shien is coming only because he believes the visits of his predecessors were successful. Apart from his meetings with Brazilian officials, the PRC vice premier will pay a full-day visit to the Itaipu work site.

COURT RULING NO CAUSE FOR 'INTERNATIONAL ISSUE'

PY181329 Santiago Chile Domestic Service in Spanish 1100 GMT 18 May 79 PY

[Excerpt] President Augusto Pinochet has stated that two sovereign states like Chile and the United States should not make an international issue of a matter of this nature. He made this remark in response to a request for his opinion about the possibility of a deterioration of relations between the two countries in view of the Chilean court's ruling rejecting the extradition of three Chilean army officers, requested by the U.S. Government. President Pinochet discussed the matter in an informal talk held with some journalists yesterday.

[Begin Pinochet recording] Our government received a request for the extradition of three officers. The court dealt with this case without the intervention of the executive or the legislative branch. Now, this reaction surprises me because the United States chose this course of action. It did not ask for the extradition directly, it went through court channels. I think that this is like when you are playing and you lose...but you want to win anyway. In any case I believe that the matter is in the hands of the court and the ruling will be implemented the way it is.

[Question] Mr President, the U.S. Government has called its ambassador back to Washington. Do you have anything to say about this?

[Pinochet] I suppose they must have called him for consultation, I do not see any other reason. I might have to recall my own ambassador to brief me about a few things.

[Question] What is your answer to Senator Edward Kennedy's remarks which have been irate and even offensive to our country?

[Pinochet] There are some things which do not deserve an answer. This is one of them.

[Question] Mr President, do you believe that the relations between the two countries are deteriorating because of this purely court matter?

[Pinochet] I believe that a sovereign state like Chile or the United States should not make an international issue over a matter of this nature.

[Question] Mr President, what is your response [words indistinct] threats?

[Pinochet] I have no answer for threats, except one: I pay no attention to them. [end recording]

FOUR ARRESTED AS ARMS CACHE SEIZED

PY191243 Paris AFP in Spanish 0242 GMT 19 May 79 PY

[Text] Concepcion, Chile, 18 May (AFP)--The army released a communique reporting that four persons were arrested by security forces today after the discovery of a clandestine depot of arms and explosives belonging to the proscribed Communist Party. The communique reported that a house was raided in this city, 500 kilometers south of Santiago, and that political propaganda, maps and plans for the reorganization of this Marxist organization was found. The arms seized include Soviet, German and Australian rifles.

RECORD PRICE FOR OIL OBTAINED IN BIDDING

PA182002 Buenos Aires LATIN in Spanish 1740 GMT 18 May 79 PA

[Text] Quito, 18 May (LATIN)--Ecuador has obtained a record price of $29.16 for a barrel of oil in a direct sale of 370,000 barrels, it was officially announced here today. The sale was made yesterday to the U.S. Coral Petroleum firm through international bidding in which 15 foreign companies participated, the Ecuadorean State Petroleum Corporation (CEPE) reported. The new price of $29.16 represents a 20-percent increase over the price of only 6 days ago which CEPE established at $24.27.

In the meantime, CEPE spokesmen felt that long-term contracts will set the price in June around $25.00 according to clauses providing for automatic increases over the current price of $20.36 per barrel. Ecuador, a member of OPEC, sold its crude at $14.27 per barrel in December. The sales [words indistinct] have been approximately 90,000 barrels daily.

NATURAL RESOURCES MINISTER FINES TEXACO

PA171708 Madrid EFE in Spanish 0913 GMT 17 May 79 PA

[Text] Quito, 16 May (EFE)--Div Gen Eduardo Semblantes, natural resources and energy minister, who is also commissioner for hydrocarbons, fined the U.S. firm Texaco twice for a total amount of $12,000, it was officially announced here. One of the fines for $4,000 was for spilling crude in the eastern oil fields. The resolution indicates that the company has not taken the necessary precautions to prevent damage to property or natural resources or to insure the safety of individuals as established by law.

The other fine for $8,000 was for exceeding production in the Shushufindi oil field, also in the eastern region. According to the report, Texaco produced over 100,000 barrels daily, which is the maximum allowed by the ministry, during March and April in Shushufindi. The company appealed both fines, but the judge overruled the appeal and ordered that the fines be paid from the company's net profits. Texaco is in charge of operating the Ecuadorean State Petroleum Corporation (CEPE).

STATION URGES SELLING MORE OIL ON SPOT MARKET

PA172250 Quito Voz de los Andes in Spanish 1730 GMT 17 May 79 PA

[Text] The Iranian crisis and its repercussions in the Middle East have caused an increase in the price of oil on international markets. Ecuador has benefited from this situation. In January, the price of oil was $13.21 per barrel, while in May it is $20.36, an increase of $7 per barrel. The additional $7, which is considered the average increase for the year, could mean an extra income of almost $400 million for the treasury and shareholders [participes] in 1979, a significant figure which will undoubtedly provide some freedom of action to the new government at a time when it was predicted that Jaime Roldos was receiving a treasury whose resources were entirely committed. However, this situation could change if there are changes in the international sphere. Unlike the Ecuadorean State Petroleum Corporation, we believe that the crisis will continue. Therefore, it is our opinion that the greatest possible quantity of crude should be reserved for spot sales.

JOINT COMMUNIQUE RELEASED AFTER CASTRO VISIT

PA190322 Mexico City International Service in Spanish 0022 GMT 19 May 79 PA

[Apparent text of joint Mexican-Cuban communique released at the end of Fidel Castro's visit to Mexico]

[Text] At the invitation of President Jose Lopez Portillo, the president of the Cuban Councils of State and Ministers, Cmdr in Chief Fidel Castro Ruz, paid a state visit to Mexico on 17 and 18 May 1979. President Castro and his retinue were welcomed with enthusiasm and cordiality, reflecting the friendship and fraternity that characterize relations between the peoples and governments of Mexico and Cuba. President Lopez Portillo and Fidel Castro held extensive talks during which they examined the various aspects of the international situation and the increasingly dynamic relations of cooperation between Mexico and Cuba.

Participating in the talks on the Mexican side were Senator Joaquin Gamboa Pascoe, president of the Permanent Commission of the Distinguished Congress; Rodolfo Gonzalez Guevara, chairman of the Grand Committee of the Distinguished Chamber of Deputies; (Agustin C. Yescousas), president of the supreme court of the nation; Jorge Casteneda, secretary of foreign relations; Jose Andres de Oteyza, secretary of patrimony and industrial development; Don Francisco Merino Rabago, secretary of agriculture and hydraulic resources; Fernando (Rampul Miguel), head of the fisheries department; Jorge Diaz Serrano, PEMEX director general; Dr Rosa Luz Alegrias Camilla, national coordinator and deputy secretary of evaluation; Jose Ramon Lopez Portillo, general documentation and analysis bureau of the secretariat of programming and budget [title as heard]; Mario Trujillo Garcia, general director of the national commission of the sugar industry, and Don Ernesto Madero Vazquez, Mexican ambassador to Cuba.

Participating on the Cuban side were Don Ramiro Valdez Menendez, vice president of the Councils of State and Ministers; Don Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers; Don Osmany Cienfuegos Gorriaran, secretary of the Executive Committee of the Council of Ministers; Don Isidoro Malmierca Peoli, minister of foreign relations; Don Hector Rodriguez Llompart, minister of the Cooperation Committee; Don Jose A. Naranjo Morales, minister of the Food Industry; and Don Fernando Lopez Muino, Cuban ambassador to Mexico.

In the bilateral field, the presidents noted that relations are developing with mutually satisfactory results and amid a clear-cut climate of cooperation. The work programs outlined by the subcommissions under the Joint General Intergovernmental Commission created in January 1978 are being carried out to the satisfaction of both parties. Reviewing the conventions and agreements in effect, they noted that, within the context of the basic convention on scientific and technical cooperation and within the 1978-1979 program, maximum results have been obtained through information exchange, scholarship students and delegations dealing with agriculture and livestock, industry, construction, clothing, transportation, basic research, health and urban administration. Experiences and practical accomplishments in these fields have been placed at the disposal of both countries.

In the agriculture and livestock field, they noted that through 47 projects approximately 250 Cuban specialists have been sent to Mexico. They have toured several parts of the country and received training in systems of controlling and eradicating plagues, cattle research, methods of calculating and designing drainage systems, irrigation systems and equipment and agricultural research in the field of citric and fodder production.

In turn, a similar number of Mexican technicians have been sent to Cuba. They have toured several parts of the island to learn Cuba's accomplishments in the production of dairy cattle, banks of germ plasm of fodder plants and biological control of forest plants.

By the same token, in oil matters, it was stressed that the technical assistance provided to Cuba by Mexican Petroleum, the Mexican Oil Institute, is important and timely and it was agreed that it is necessary to establish permanent cooperation including the area of technician training.

The economic-industrial cocperation agreement opened the way for various plans and projects of the greatest importance which the work groups created for that purpose will have to implement quickly. The specific agreement on economic and technical cooperation in the sugar industry is being implemented. Within its framework, a work program has been adopted to expand cooperation between the national commission of the Mexican sugar industry and the corresponding Cuban organizations.

Both presidents voiced satisfaction with the scope of the program, noting its integral nature and the broad possibilities of cooperation contained therein. With the purpose of developing the sugar industry, it covers the exchange of machinery, equipment and component parts as well as technological transfer to take advantage of several byproducts. The cooperation agreement signed with regard to the sugar industry opens broad prospects for industrial complementation between the two countries, pointing out the existing possibilities with regard to achieving similar results in other areas such as metallurgy, the metal and mechanical industries, the pharmaceutical industry, the fishing industry and others.

Through the accomplishment of the 1979-1980 program, the cultural and educational cooperation agreement has fostered worthwhile educational exchange at all levels involving intercollege relations, art and culture library science, cinematography, radio and television, sports, exchange of publications and news material and publication of Mexican writers' works by Cuban publishing houses.

Trade has advanced considerably and measures have been adopted to promote it on the basis of greater balance and diversification. In this respect, it was noted that Mexico has obtained great benefit by importing Cuban cement to supply the southeastern part of the country with the subsequent savings of shipping costs.

It was agreed to explore the possiblity of extending this type of operation to other products and activities not only for the sake of strengthening two-way trade between the two countries but also to achieve means of association which will permit more productive economic cooperation between the two countries. The possiblity was analyzed of making joint investments to strengthen the development of lines in which we have traditionally been linked, such as the supply of Cuban nickel and lead to the Mexican metallurgy industry, or else to open new and promising areas of cooperation such as the industry that produces steroids from barbasco flour, production of fertilizers, especially phosphate fertilizers and fisheries.

Since it became effective in 1974, the convention on air transportation has insured communications between the two countries and the flow of passengers has increased. Mexico's Secretariat of Tourism and Cuba's Tourism Institute signed an agreement which includes not only an increase in visitors but the contribution of experiences in the development of tourist and vacation centers, tourism administration, hotels and specialized schools to attract tourists to the two countries.

In the field of social security, a successful exchange of experiences is underway between the Mexican Social Security Institute and the Cuban State Committee of Labor and Social Welfare of the Public Health Ministry. President Lopez Portillo and First Secretary Castro Ruz voiced satisfaction with the considerable progress reported in relations between Mexico and Cuba and concurred on their intent to persevere in strengthening and diversifying them.

Both chiefs of state confirmed their adherence to the fundamental principles of the UN Charter, emphasizing between them nonintervention in the internal affairs of other states, prohibition on resorting to threats or the use of force in international relations, respect for the self-determination and independence of the peoples, the peaceful solution of conflicts, sovereign equality of states, as well as respect for individual and social guarantees.

They also emphasized that the above-mentioned principles include the unbounded respect for state sovereignty, territorial integrity and political independence, as well as the obligation to abstain from exerting any type of economic or any other pressure, or to carry any other hostile actions against any country, and the reaffirmation that each state shall exert permanent sovereignty over its natural resources.

Both recalled that the UN Security Council meeting held in Panama in 1972 condemned the use of any coercive economic measure against Latin American nations and demanded a stop to any economic aggression against those countries, because it violated the norms of peaceful coexistence between the states and the principles and objectives contained in the UN Charter.

In this respect, the two chiefs of state pointed to the need to end the economic blockade imposed on the Cuban people.

The presidents ratified their concept of peace in the widest and most universal scope covering all the areas of the world and benefiting all nations independently of their territorial size, economic might or political influence. Likewise, both reaffirmed the need to strengthen the multilateral mechanisms designed to maintain an active peace based on justice and equity, particularly the UN organization, which requires democratization to insure its greater effectiveness.

The two presidents agreed on the need to advance toward full, general disarmament, under effective international control, and in conformity to the decisions of the 10th special UN General Assembly on Disarmament, starting with nuclear disarmament.

The two chiefs of state expressed their satisfaction over the agreements reached on limitations of strategic weapons, SALT II, and voiced their hope that this agreement will contribute to the attainment of other international instruments designed to put an end to the arms race. They underlined the responsibility of every nation to make a pronouncement on the decisions adopted in these matters in view of their importance to world peace.

The presidents emphasized the urgent need for the United Nations to strengthen its activities and exert its authority to eliminate all vestiges of colonialism. They reiterated their political determination to continue in the search for formulas that will permit, through the decisions of the organization, the self-determination and independence of the peoples of Zimbabwe and Namibia and of any other nation subjected to colonial regimes.

Both presidents reiterated the importance of a UN resolution on eliminating foreign military bases maintained against the will of the country in which they may be located. [sentence as heard]

The chiefs of state pointed out that the serious economic problems evidence the need to advance toward the establishing of a new world order, conforming to the principles and objectives of the declaration and program of action on the new international economic order, the charter of economic rights and duties of states and the resolutions of the General Assembly on international economic cooperation and development. This should be done with the participation of all nations to prevent only a few from benefiting from the present system of international relations, and to obtain just distribution, equal treatment to equals and unequal treatment to unequals [as heard]. They underlined the need to mobilize and enrich cooperation between developing nations and the great possibilities offered by joint action in behalf of their aspirations and needs, through the reevaluation of their wealth and natural resources.

In the regional aspect, they expressed their determination to work on behalf of development and cooperation in Latin America and the Caribbean. They emphasized the need to strengthen the action of LAES as an organization of regional cooperation, and other regional organizations, particularly the Caribbean Multinational Shipping Enterprise [NAMUCAR] and the group of Latin American and Caribbean Sugar Exporting Countries [GEPLACEA].

The chiefs of state underlined the international economic crisis affecting all mankind and particularly the developing nations. They recognized that the scarcity of energy and foodstuffs exacerbates the general crisis and demands equalization of the economy on a global level. They noted that the United Nations is the most appropriate forum for the examination and solution of these problems.

First Secretary Fidel Castro pointed to the importance that President Lopez Portillo, taking into account the importance of Mexico as a producer of hydrocarbons, should have been the one to announce that Mexico considers the energy crisis as the common responsibility of all mankind. He voiced his full support to Mexico's proposal.

He agreed on the need to insure all countries access to technology and financing under favorable conditions to develop alternative sources of energy.

At the same time, they referred to the excessive protectionism that characterizes the markets of the highly industrialized nations and the need to insure access to imports from developing nations to the markets of other nations. They added that the inflationary pressures and the lack of stability in the types of exchange originated in the developed countries have a negative effect on the developing countries, increasing their indebtedness and limiting their capacity to develop.

The two leaders underlined the growing importance of the nonalined movement in the task of promoting international peace and cooperation for development on a just and equitable basis. They pointed to the significance of the fact that the sixth conference of chiefs of state and government, to be held in Havana, Cuba, is to take place for the first time in Latin America.

President Lopez Portillo and First Secretary Castro Ruz expressed their determination to cooperate in the success of this event.

Both chiefs of state expressed their firm support to the struggle of the Panamanian people and government to recover their full sovereignty over the canal.

The two leaders agreed that the historic, geographic and cultural bonds that bind the nations of the Caribbean basin are the natural foundation for greater understanding of their common interests and for better use of the wide prospects for cooperation.

President Fidel Castro Ruz acknowledged the hospitality afforded to him and the members of his retinue during their permanence on Mexican soil by the people and government of Mexico.

Cancun, Quintana Roo. 18 May 1979.

LOPEZ PORTILLO WELCOMES COSTA RICAN PRESIDENT

PA202304 Madrid EFE in Spanish 2141 GMT 20 May 79 PA

[By Jose Carreno]

[Text] Cancun, Mexico, 20 May (EFE)--Mexican President Jose Lopez Portillo took advantage today, Sunday, on the arrival of his Costa Rican colleague President Rodrigo Carazo to explain the differences in his dialog with Cuba.

President Lopez Portillo, who less than 48 hours ago was joking with Fidel Castro, president of the Council of State of Cuba, today expressed his admiration for Costa Rica, a country which, according to his own words, practices "the system in which we believe." With this apparently innocuous phrase, the president of Mexico seemed to be trying to stop or appease the conflicting reactions which have resulted from his warm welcome of the Cuban leader.

President Lopez Portillo gave a cordial welcome to his Costa Rican colleague today. Traditionally, Costa Rica has been the main ally of Mexico in Central America, although it had increased its relations with Venezuela.

Lopez Portillo, who greeted Castro as a representative of the most important social movement in Latin America in the second half of the 20th century, also expressed, with Castro's support, the virtues of the Mexican revolution, but he did not forget the injustices "of the system in which we are immersed." These expressions, which could be interpreted as a flirtation with the left, caused unrest in the United States, Mexico's main commercial partner. While Castro said that the U.S. system was not the only only democratic one, Lopez Portillo declared himself to be a fervent believer in representative liberal democracy, to indicate that with Castro he only stressed the similarities but not the differences.

In welcoming President Carazo, Lopez Portillo emphasized the importance of institutionality and stressed the "close" identification with Costa Rica in a speech which seemed to be addressed to those sectors that locally and abroad were concerned over his friendly reception of the Cuban head of state. In any event, by stressing the differences in political views, Lopez Portillo did not deny the increasing relations with Cuba, part of Mexico's foreign policy which seeks to assert the country's new potential.

The Mexicans, who have emphasized in recent welcomes of official guests the coldness with which President Jimmy Carter was received, seemed to be determined to become a "pole of attention," a position arrived at following the discovery of the important oil reserves.

DIPLOMATIC RELATIONS WITH NICARAGUA BROKEN OFF

PA202302 Madrid EFE in Spanish 2236 GMT 20 May 79 PA

[Text] Cancun, Mexico, 20 May (EFE)--President Jose Lopez Portillo today asked all the Latin American countries to follow Mexico's example in severing relations with Nicaragua. Lopez Portillo made this request after he had announced the severing of relations between Mexico and Nicaragua during an official dinner with Costa Rican President Rodrigo Carazo. "We would like to see other Latin American brothers support this action," Lopez Portillo said in the midst of a big ovation from those attending the dinner.

President Lopez Portillo said that Mexico cannot tolerate a government to stay in power against the will of the people. Lopez Portillo said that he made the decision to sever relations with Nicaragua after hearing the "unquestionable" testimony of President Carazo.

COSTA RICO

PRESIDENT CARAZO LEAVES FOR MEXICO

PA201418 San Jose Radio Reloj in Spanish 1350 GMT 20 May 79 PA

[Text] At this moment President Rodrigo Carazo is leaving for Cancun for a meeting with Mexican President Jose Lopez Portillo. Foreign Minister Rafael Angel Calderon Fournier, Public Works and Transportation Minister Rodolfo Mendez Mata, Finance Minister Hernan Saenz Jimenez and the executive president of the Costa Rican Oil Refinery are accompanying the president. President Carazo will discuss with the Mexican president Costa Rica's future needs regarding the supply of oil and oil byproducts for about 7 hours. They will also discuss tuna. As is known, Costa Rica and Mexico have been waging an outright struggle for the conservation, exploitation and rights over the 200-nautical mile area. Carazo will arrive in Mexico around 1100 Costa Rican time and will immediately be paid official honors. The work session will begin later. The Costa Rican president will return to San Jose today.

CARAZO DISCUSSES TUNA PROBLEM WITH U.S. OFFICIAL

PA191930 Buenos Aires LATIN in Spanish 2200 GMT 18 May 79 PA

[Text] San Jose, 18 May (LATIN)--Costa Rican President Rodrigo Carazo said among other things that the main problem in the talks being held with Viron Vaky, U.S. assistant secretary for inter-American affairs, regarding the tuna problem is to establish the percentages or quotas of the fish that can be caught within the 200-mile territorial sea.

At the end of a dinner given by President Carazo in honor of the U.S. official at the Presidential Palace, President Carazo stressed the importance of the tuna problem as he said: We are negotiating the possibility of establishing a modus vivendi for Mexico, Costa Rica and the United States. Carazo said that the United States has the largest fishing fleet but that Mexico and Costa Rica have the richest tuna areas. Since President Carazo assumed the presidency of the republic in May 1978, negotiations for a tuna agreement have been in progress. "We discussed the tuna problem with the same interest that I will show Mexican President Jose Lopez Portillo on Sunday in Cancun, so that an agreement can be reached as soon as possible," President Carazo pointed out.

More on Discussions

PA181510 San Jose Radio Reloj in Spanish 1100 GMT 18 May 79 PA

[Text] President Carazo and Deputy Secretary of State Viron Vaky discussed trade problems yesterday at a luncheon meeting. They discussed the beef problem, one of the exports in which Costa Rica has a special interest. They also discussed sugar and coffee exports. Carazo also ascertained the status of the new routes to the United States that Lacsa Airlines has requested. The Costa Rican airline is interested in extending its services to other parts of the United States besides Miami. Vaky said the request has been sent to the proper authorities and there is a receptive atmosphere but still no decision has been reached in this regard.

The tuna case was also brought up at the Carazo-Vaky meeting. [Words indistinct] the use of marine resources, was also discussed in depth. As is known, these countries are seeking a new legal means of regulating the exploitation and conservation of tuna. The tuna problem now [words indistinct] technical affair, especially the [words indistinct] quantity that may be caught inside the 200-mile territorial zone.

Central America is in a difficult situation. When the U.S. deputy secretary of state was asked if they had discussed the situation in Nicaragua and El Salvador, he said no. You know more about that situation than I do, Vaky added, but there is no doubt that Central America is experiencing difficulties. Shortly thereafter, President Carazo confirmed that Nicaragua and El Salvador had not been discussed at the meeting and that only bilateral problems had been broached.

TALKS ON OIL PURCHASES FROM USSR FAIL

PA191440 San Jose Radio Reloj in Spanish 0000 GMT 19 May 79 PA

[Excerpt] Fernando Ortuno, executive president of the Costa Rican Oil Refinery, RECOPE, has said that Costa Rica will not purchase oil from Russia because talks in this regard have failed. He explained that the USSR demands higher prices for diesel than the Caribbean countries. As far as oil is concerned, the USSR has said that it has no crude available for this year and that a request for oil supplies for next year would have to be resubmitted. However, this has not been done.

APPOINTMENT OF NEW CONSUL IN HAVANA

PA190116 Panama City ACAN in Spanish 2130 GMT 18 May 79 PA

[Text] San Jose, 18 May (ACAN-EFE)--Oscar Vargas Bello, the new Costa Rican consul in Havana, will try to increase and diversify Costa Rica's exports to the island, according to his own statements published by the newspaper LA NACION on Friday. Vargas Bello will take office in the first week of June and replace Francisco Cordero Gene, who was recalled when President Rodrigo Carazo's government took office in May 1978.

Initially the appointment went to Jorge Pacheco but he was subsequently transferred to El Salvador. Costa Rica is now exporting meat, beans, lumber and other products to Cuba, and Cuba sells rum and tobacco to Costa Rica. The trade balance favors Costa Rica. Vargas Bello has held several diplomatic and government posts in the last few years. Before his appointment as consul, he was government he lth director.

FORMER SANDINISTS IMPLICATED IN BANK ROBBERY

PA191549 San Jose Radio Reloj in Spanish 0000 GMT 19 May 79 PA

[Text] Four individuals who make up a cell which had been purged from the general staff of the Sandinist National Liberation Front [FSLN] were responsible for the robbery at a branch of the national bank in La Suiza, Turrialba, at 1310 yesterday. The four individuals had been fully identified by 1500 this afternoon, after 24 hours of intense investigations carried out by agents of the Criminal Investigations Bureau [DIC], members of the National Security Agency and Immigration Department officials.

According to Johnny Chaverri, director of the National Security Agency, Col Manuel Arias joined the search for the four individuals by placing his troops and motorized units from Turrialba and the entire Atlantic area at the disposal of the DIC and the National Security Agency. Ernesto Robleto Siles, a member of the Intelligence Agency of the Somozist National Guard who came to our country approximately 2 years ago as a political exile after deserting from the army, has been identified as the chief of the band which robbed the bank. He was accompanied on this occasion by Alejandro Guevara Silva, Vinilio Campos Aburto and Felix Pedro Hernandez Cruz, according to a statement made by Chaverri this afternoon.

The government of the republic had been alerted by Sandinist Front sources, who had previously warned that these individuals might stage robberies at banks or mints at any time since they had announced their intention to do so. This was one of the reasons for their expulsion from the ranks of the FSLN. Chaverri announced this afternoon that after the authorities had heard a statement from the taxi driver involved in the case, the FSLN warnings came to mind, whereupon an exhaustive review of the files of political exiles was initiated. On that day, those involved were fully indentified as a result of this effort as well as on the basis of confidential reports received by the National Security Agency.

It was learned from national security sectors that a spokesman for the FSLN announced that the organization is willing to provide information of any kind regarding the whereabouts of the bank robbers. The bank robbers are armed with a machinegun, perhaps an M-76, and revolvers. In addition, as is to be expected, they are very well trained in combat. Therefore, those involved in the search have been instructed to arrest them in the most feasible manner. Johnny Chaverri also noted that although four persons participated in the robbery, it is known that they associated with other ousted members of the FSLN who have also been identified and who are being closely watched.

Further on Bank Robbery Case

PA191550 San Jose Radio Reloj in Spanish 1100 GMT 19 May 79 PA

[Excerpts] Ernesto Cardenal, a spokesman for the Sandinist National Liberation Front [FSLN], yesterday evening denied the possibility of Alejandro Guevara Silva having participated in the attack on the La Suiza, Turrialba, bank branch. Cardenal said that Guevara is fighting in Nueva Guinea, Nicaragua, and that everything is probably a mistake. Cardenal also said that he has condemned the [words indistinct] by President Anastasio Somoza in which he strongly criticized Rodrigo Carazo.

The bank robbery case became more complicated in the past few hours when two of the four alleged robbers presented themselves before the Criminal Investigations Bureau [DIC], requesting an investigation. This had been done 4 hours earlier by Ernesto Robleto Siles, who reportedly was the leader of the band. Robleto established contact with the authorities through a Radio Reloj newsman. He, Vinilio Campos Aburto and Felix Pedro Hernandez Cruz have stated that they are not interested in carrying out this type of attack.

EL SALVADOR

EMBASSY SITUATION REMAINS CRITICAL, ENTERING THIRD WEEK

Escape of Venezuelan Ambassador

NC210738 Paris AFP in English 0726 GMT 21 May 79 NC

[Excerpts] San Salvador, May 21 (AFP)--Armed police wearing bullet proof vests continued to surround the Venezuelan Embassy here overnight after Venezuelan Ambassador Santiago Ochoa Antich escaped yesterday from guerrillas holding him hostage there. Mr Ochoa, who had been held along with members of his staff, said that under cover of a rumpus which distracted his People's Revolutionary Bloc (BPR) captors, he broke through a door and walked away.

But Venezuelan Military Attache Colonel Witermando Hernandez, reportedly locked inside one of the embassy offices, refused to follow the ambassador arguing that he did not want to abandon Venezuelan territory. Two BPR militants inside the embassy later told an AFP correspondent that they would defend themselves if attacked but that they were not looking for aggression.

Observers noted that the Venezuelan ambassador's escape could represent a loss of face for this committee. The next move would depend on how the committee decided to respond to the escape, they said. Bloody clashes could follow if the committee told its militants to stand firm, they said. The escape of the Venezuelan ambassador has also raised questions about the fate of French Ambassador Michel Dondenne and his staff, still being held in the French Embassy.

'Escape' of Two More

NC210808 Paris AFP in English 0759 GMT 21 May 79 NC

[Excerpts] San Salvador, May 21 (AFP)--Two Venezuelan diplomats held hostage by armed guerrillas in their embassy here walked free overnight, a reliable source said. First reports said the two men, Military Attache Colonel Witermando Hernandez and Second Secretary Marco Tulio Castellano, had not been prevented from leaving by their People's Revolutionary Bloc (BPR) captors. Earlier, Venezuelan Ambassador Santiago Ochoa Antich escaped with other members of his staff after breaking through an embassy door.

Venezuelan Denial of Escape

PA210446 Madrid EFE in Spanish 0121 GMT 21 May 79 PA

[Text] Caracas, 20 May (AFP)--The Venezuelan ambassador being held by a revolutionary group at the embassy in San Salvador has not escaped. He merely went outside the building to seek a transfer of the kidnapers. Venezuelan Foreign Minister Jose Alberto Zambrano Velasco made this statement here. He said that the ambassador is discussing with the International Red Cross the transfer of the kidnapers to the Panamanian Embassy. The government's VENPRES agency had issued an earlier dispatch reporting that Ambassador Santiago Ochoa Antich had escaped from his kidnapers. The ambassador and several embassy officials were seized 7 days ago by a commando of the People's Revolutionary Bloc.

BPR Under 72-Hour Deadline

PA182258 Paris AFP in Spanish 2200 GMT 18 May 79 PA

[Excerpt] Caracas, 18 May (AFP)--Venezuela has given the People's Revolutionary Bloc (BPR) 72 hours to leave its embassy in San Salvador, it was announced here today by VENPRES. The demand was delivered to BPR leaders by special Venezuelan Ambassador Regulo Velazco during a meeting held at the National University of El Salvador, according to a dispatch by the VENPRES special correspondent in San Salvador.

Velazco also asked the BPR to offer guarantees to enter and leave the embassy, occupied a week ago by 10 members of the group who are still holding Ambassador Santiago Ochoa and other embassy officials as hostages. According to the VENPRES correspondent, "no understanding has been reached yet...but the negotiations have not been totally rejected by the BPR."

Venezuelan Denial of Deadline

PA200122 Paris AFP in Spanish 1715 GMT 19 May 79 PA

[Excerpts] San Salvador, 19 May (AFP)--It was learned here today that the Venezuelan ambassador to El Salvador--held in his embassy by members of the People's Revolutionary Bloc [BPR] for more than 1 week--was able to talk to Venezuelan President Luis Herrera Campins over the telephone. Ochoa and seven of his colleagues are being held at the Venezuelan Embassy, a house located in a residential suburb in this city.

The ambassador told AFP that he wanted to return the call that the Venezuelan president had made to him several days ago at 0400 Caracas time. "The Venezuelan president," the ambassador noted, "told me that he was following the incidents at the embassy with concern. He told me that Regulo Velazco, the envoy, had precise instructions to negotiate with the BPR negotiating commission." Velazco told AFP that the reports indicating that his government had given a 72-hour deadline for the BPR members to leave the Venezuelan Embassy were not true. "That report is completely false," the envoy said. The dissemination of a report of this kind may hinder Velazco's negotiations." Velazco added that he hoped to solve the situation "soon."

Comment by Venezuelan President

PA182234 Caracas VENPRES Diplomatic Information Service in Spanish 1441 GMT 18 May 79 PA

[Excerpt] Caracas, 17 May (VENPRES)--President Luis Herrera Campins said today that his government is working to solve the unusual situation at the Venezuelan Embassy in El Salvador. "We shall continue trying to find a really positive solution to that unusual situation," the president said. "I regret that our embassy was chosen since everyone knows that Venezuela is a leader in the defense and implementation of human rights in this continent," he added.

He said that the Venezuelan Government has been very outspoken regarding the situation in Central America and other Latin American countries. "My personal attitude as a Venezuelan political leader and during the 3 years I served as secretary general of the American Christian Democratic Organization in the defense of personal rights, freedom and justice, has also been very emphatic and energetic," he said.

Unexpected Departure of Venezuelan Mission

PA200231 Paris AFP in Spanish 2242 GMT 19 May 79 PA

[Excerpts] Caracas, 19 May (AFP)--It was reported here that the special Venezuelan mission--sent to negotiate the evacuation of its embassy in San Salvador occupied by the People's Revolutionary Bloc--left the country unexpectedly today. In a dispatch sent by its special correspondent in San Salvador, the official Venezuelan news agency VENPRES noted that Venezuelan negotiators Regulo Velazco and Freddy Alvarez and several security officials who were accompanying them left for Caracas this afternoon. Velazco and Alvarez left for Caracas on a direct flight aboard an executive plane while the other officials left on a commercial flight to Guatemala where they will continue on to Miami and Caracas. The members of the mission did not make any comments at the hotel or the airport where they arrived in vehicles carrying diplomatic license plates.

Offer of Asylum to BPR

PA200358 Paris AFP in Spanish 2352 GMT 19 May 79 PA

[Text] Caracas, 19 May (AFP)--Venezuela is willing to grant diplomatic asylum to the persons who occupied its embassy in San Salvador, President Luis Herrera Campins said here today. After noting that he had spoken on the telephone with Ambassador Santiago Ochoa, who has been detained at the embassy together with seven other officials, Herrera said that so far the kidnapers have not expressed a desire to seek asylum. "If they do," he said, "the country would have no reason to deny it."

"I hope," the president added, "That the members of the People's Revolutionary Bloc understand that they have nothing to gain from seizing the embassy of a country such as Venezuela which defends human rights." Herrera said that the BPR leaders rather than the embassy occupiers are the ones who can settle the problem and said that he hopes that "they will see reason."

Meanwhile a correspondent of the official VENPRES news agency reported from San Salvador that the leader of the group occupying the embassy, identified as "Carlos," has the keys to the building and the official diplomatic car. "Carlos" told the correspondent that he had not received a deadline to leave the embassy and that, on the contrary, his chiefs had ordered him to continue holding the embassy.

French Negotiations With BPR

PA182348 Panama City ACAN in Spanish 2230 GMT 18 May 79 PA

[Excerpt] San Salvador, 18 May (ACAN-EFE)--Etienne De, French commercial attache in San Salvador, today met with the negotiating committee of the People's Revolutionary Bloc Meanwhile, the BPR indicated that it was unaware of any Venezuelan Government deadline to leave the embassy. Etienne De evaded questions from newsmen, refusing to explain the reason special French envoy Philippe Cuvillier did not attend the meeting. A spokesman for the committee said that the negotiations made relative progress.

The meeting was suspended for a brief time while efforts were made to telephone the French Embassy. Etienne De used a public telephone booth but communication was not possible. Two members of the committee accompanied him. The told ACAN-EFE that the call was to learn the condition of their comrades in the French embassy. They explained that the BPR continues to maintain its demands for leaving the embassies--release of three prisoners, broadcast of a communique and guarantee for the occupiers. They indicated that the form in which the Venezuelan and French representatives intercede and the attitude the Salvadoran Government assumes might be borne in mind during the present negotiations. They insisted that those two aspects might influence their departure from the French and Venezuelan embassies and the cathedral.

Regarding direct intervention by the French Government for them to leave the embassy, they said they did not believe this step would work because France respects human rights and it has a commitment to its people and the whole world. Any action to remove them by force would discredit the French Government, the BPR spokesman said. They explained that the only guarantee for the occupiers is for the diplomats and their personnel to remain in their embassies. They added that their comrades have been instructed to respect the French diplomats. Meanwhile, Venezuelan Government envoy Regulo Velazco had not entered into contact with the members of the negotiating committee despite the fact that yesterday afternoon he held a 30-minute meeting to lay the groundwork for a future meeting.

Resurgence of Violence

PA181454 San Jose Radio Reloj in Spanish 1100 GMT 18 May 79 PA

[Text] After 15 hours of relative calm, violence flared again yesterday in El Salvador with a toll of three marines and two policemen killed. Yesterday morning in (Suchitlan) Lake 44 km northeast of San Salvador, an unidentified group machinegunned the Salvadoran navy barracks, hitting pilot Juan Antonio Castro Turcios and marines Luis Felipe Portillos Cienfuegos and Ricardo A[illegible]icio Ramos. In Santa Tecla, 12 km west of San Salvador, an unidentified group shot two policemen guarding the educational television building. Both died immediately.

In Chalchuapa, 68 km to the west and close to the Guatemalan border, a bomb caused serious damage but no casualties in the local commandant's office. Several churches in San Salvador itself closed their doors due to threats by leftist groups to occupy them as they have done with the Maria Auxiliadora Center, El Calvario church, the metropolitan cathedral, the Soyapango church and the French and Venezuelan embassies. The latter have been occupied for 16 days.

NICARAGUA

ARMY REPORTS 'HARSHEST BLOW' BY SANDINISTS

PA201700 Paris AFP in Spanish 1636 GMT 20 May 79 PA

[Text] Managua, 20 May (AFP)--Communications were cut completely today in the city of Jinotega, 160 km north of Managua, where it seems a major guerrilla operation is underway. Jinotega is an important coffee and cattle center of 35,000 inhabitants. Reports circulating in Managua say that guerrillas came down from nearby hills and occupied the city at dawn today. However, official army spokesman Col Aquiles Aranda termed the incidents "disturbances." Denying that the city had been occupied by Sandinists, he promised to give more information this afternoon. No vehicle arrived from or left for Jinotega this morning. Efforts to communicate by telephone proved futile. The Managua Red Cross was trying to get in touch with its Jinotega offices by radio this morning.

At the same time, the army admitted today that it had been dealt one of the harshest blows by urban guerrillas. An officer and seven soldiers died last night when an army convoy was ambushed in the Indian ghetto of Subtiava in Leon, 90 km to the west. The army admitted the death of 2d Lt Humberto Serrano. It also admitted that 10 soldiers had been wounded. Press reports put the number of army deaths at 12. According to an official communique, the Sandinists retreated in the middle of the shootout, taking away many of their dead and wounded and leaving behind only one corpse. Terrorist activities continued throughout the country. In Managua an armed group killed Spaniard Jose Arcas, 64. Assailants also hurt a son of the victim by the same name who has been identified as a member of the ruling Liberal Party.

Further Reportage on Jinotega

PA201821 Paris AFP in Spanish 1754 GMT 20 May 79 PA

[Text] Managua, 20 May (AFP)--Sandinist guerrillas are engaged in heavy fighting with the army in many sectors of Jinotega, 160 km north of Managua, it was learned here. Unofficial reports received today indicate that the guerrilla force that attacked Jinotega at dawn may number 300 men. Air force planes started to fly over the city at 1200, while the army mobilized reinforcements by land and air. A radio report transmitted at noon today from the Jinotega Red Cross said the shooting was so heavy nobody could go out in the streets.

Communications continue interrupted. All contact was lost with the Centro-American hydroelectric plant, one of the three that produce the energy consumed by Nicaragua and very close to the scene of the fighting. The two other plants, Tuma and Mancotal, are also located near Jinotega. Managua press reports claim the death of many persons who supported the government. The reports said they were executed by guerrillas.

The Red Cross building in Jinotega has been full of refugees since the beginning of the action at dawn today. Red Cross personnel have urgently requested food, mainly milk, for the many children in the premises. It is presumed there are many dead and wounded, although no exact figure was available. Red Cross nurses fear to go out into the streets due to the heavy gunfire. Managua press circles said today the Sandinists appeared determined to take the city and keep it.

SOMOZA AFFIRMS FAILURE OF SUBVERSION

PA182138 Paris AFP in Spanish 2022 GMT 18 May 79 PA

[Text] Managua, 18 May (AFP)--President Anastasio Somoza today declared that subversion had failed in Nicaragua and he issued a general appeal for an end to violence. Somoza spoke at a public event to commemorate the 52d anniversary of the founding of the National Guard, the country's only armed force.. The president described as "dupes" those who have taken up arms in the belief that they could overthrow the army and his government. He demanded an immediate end to terrorist acts which are claiming victims daily in the country. He urged the political factions to abide by the laws and to wait for the 1981 elections to change the government.

At the same time, the army officially reported that seven guerrillas were killed in the country's northeast, 380 km from Managua. The offical report stated that the group was ambushed as it tried to return to Costa Rica after a 120-man force failed in an attempt to open up a new war front in the country's Atlantic region. According to the official report, the dead included Ivan Montenegro and Oscar Benavides, two of the military group's leaders. The communique added the group had entered the country from Costa Rican territory. Six more persons died over the past few hours in various parts of the country as a result of the political violence. The total number of known victims for the current week is 67.

FOREIGN CORRESPONDENTS RECEIVE DEATH THREATS

PA181357 Buenos Aires LATIN in Spanish 0542 GMT 18 May 79 PA

[Text] Managua, 18 May (LATIN)--More than 10 newsmen, approximately 20 political opposition leaders, 2 priests and several labor leaders have received anonymous death threats by telephone and in a printed leaflet, the opposition newspaper IA PRENSA reported here. Among the newsmen threatened for reasons not revealed are: Agustin Fuentes, LATIN-REUTER correspondent; Juan Maltez of ASSOCIATED PRESS; Filadelfo Martinez of ACAN-EFE; Danilo Aguirre, subdirector of IA PRENSA; Manuel Eugarrios, editor of the same newspaper; and radio newsmen Oscar Leonardo Montalvan, Rodolfo Tampia Molina, Jose Esteban Quezada, Manuel Espinosa Henriquez, Aaron Sanchez and others.

FOREIGN MINISTER SURPRISED OVER MEXICAN BREAK

PA202353 Panama City ACAN in Spanish 2328 GMT 20 May 79 PA

[Excerpt] Managua, 20 May (ACAN-EFE)--Nicaraguan Foreign Affairs Minister Julio Quintana expressed surprise over the announcement that Mexican President Jose Lopez Portillo had decided to sever diplomatic relations with Nicaragua. The severing of relations was announced by President Lopez Portillo during a banquet offered in honor of his Costa Rican colleague President Rodrigo Carazo Odio today, Sunday, in Cancun. "I am surprised at a unilateral decision of that nature, revealed here by as trustworthy a source as the news agency EFE," Minister Quintana indicated. "Maybe tomorrow, Monday, we will have an official statement from my government, once the Foreign Ministry receives the official communique from the Mexican Government," Minister Quintana told ACAN-EFE.